

**Amendment One to Contract No. 229944 for the Design, Implementation, Operation and Maintenance of the Regional Fare Coordination System**

This Amendment One to the Contract for the Design, Implementation, Operation and Maintenance of the Regional Fare Coordination System is entered into this \_\_\_\_ day of April 19, 2004, by and between ERG Transit Systems (USA) Inc, a California corporation and wholly owned subsidiary of ERG Limited, an Australian corporation, (hereinafter referred to as the "Contractor") and each of the following seven public transportation agencies (hereinafter referred to individually as an "Agency" or collectively as the "Agencies"):

1. Central Puget Sound Regional Transit Authority ("Sound Transit")
2. King County ("King County")
3. Kitsap County Public Transportation Benefit Area ("Kitsap Transit")
4. Pierce County Public Transportation Benefit Area ("Pierce Transit")
5. Snohomish County Public Transportation Benefit Area ("Community Transit")
6. City of Everett ("Everett")
7. State of Washington, acting through the Washington State Department of Transportation, Washington State Ferries Division ("WSF")

**Recitals**

- A. Effective April 29, 2003, each of the Agencies and the Contractor entered into Contract #229944 ("Contract") to implement a Regional Fare Coordination System ("RFC System") to establish a common fare system utilizing smart card technology. The Contractor is responsible for the development, implementation, operation and maintenance of the RFC System as specified in the Contract.
- B. The Contract requires the Contractor to provide an irrevocable letter of credit in the amount of two million dollars (\$2,000,000) which shall be maintained in effect until the earlier of (a) 12 months after the date of Full System Acceptance, or (b) 24 complete months after the commencement of Beneficial Use Status.
- C. The Contractor is able to secure an irrevocable letter of credit that expires on July 31, 2007, which may or may not satisfy the duration requirement set forth in the Contract.

- D. The Agencies and the Contractor desire to enter into this Amendment One to specify the terms under which the Agencies would accept an irrevocable letter of credit for a fixed duration.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and in the Contract, the sufficiency of which is hereby acknowledged, each Agency and the Contractor hereby agrees to amend the Contract as follows:

### **Section 1.0**

Section 3.I-80.1.1 of the Contract is hereby amended to read as follows:

80.1.1 Simultaneously with its receipt of payment from the Agencies for (a) the final Baseline Project Schedule Acceptance milestone, and (b) all project management costs correctly invoiced prior to the date of final Baseline Project Schedule Acceptance, the Contractor shall deliver to the Contract Administrator an irrevocable letter of credit in the amount of two million dollars (\$2,000,000), as described below, to guarantee the Contractor's performance of its obligations under this Contract. Said letter of credit shall be maintained in effect until the earlier of (a) 12 months after the date of Full System Acceptance, or (b) 24 complete months after the commencement of Beneficial Use Status. At their sole discretion, the Agencies may accept a letter of credit that expires on a specified date rather than upon the passage of the time periods provided above. Provided, however, if the Agencies accept a letter of credit with a fixed duration and if the expiration date would occur prior to the passage of the applicable time period as set forth above, the Contractor shall, no later than ninety (90) days prior to the expiration of the letter of credit, provide to the Contract Administrator a written extension or replacement of the original letter of credit, signed by an issuing bank and in accordance with the terms of this Section 80, that maintains the letter of credit in effect for the applicable time period as provided above or for a fixed period of time that the Agencies, acting reasonably, believe to cover the time period provided above. The Contractor acknowledges and agrees that, in addition to the grounds set forth in Section 80.4, the Agencies shall be entitled to draw down the full amount of the letter of credit in the event the Contractor fails to timely provide either such an extension to, or replacement of, the original letter of credit. The amount drawn down shall be deposited in a retainage account and the provisions of Section 3.I-80.6 shall apply.

### **Section 2.0**

All other provisions of the Contract not referenced in this Amendment One shall remain in effect.

IN WITNESS WHEREOF, authorized representatives of the Agencies and the Contractor have signed their names in the spaces provided below.

**Central Puget Sound Regional Transit  
Authority  
("Sound Transit")**

**Snohomish County Public  
Transportation Benefit Area**

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Joni Earl, Chief Executive Officer

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Joyce F. Olson, Chief Executive Officer

**King County**

**Kitsap County Public Transportation  
Benefit Area**

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Darwin Campbell,  
Acting Transit General Manager

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Richard M. Hayes, Executive Director

**Pierce County Public Transportation  
Benefit Area**

**City of Everett**

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Don S. Monroe, Chief Executive Officer

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Ray Stephanson, Mayor,  
or by his designee, Paul Kaftanski  
Director of Transportation Services

**Washington State Ferries, Washington  
State Department of Transportation**

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Mike Thome  
Director, Chief Executive Officer

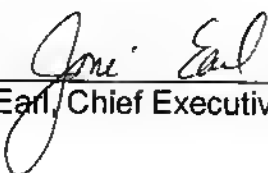
**ERG Transit Systems (USA) Inc.**

By: 

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Mike C. Nash  
Regional Managing Director

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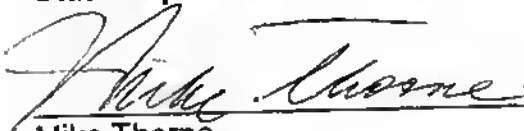
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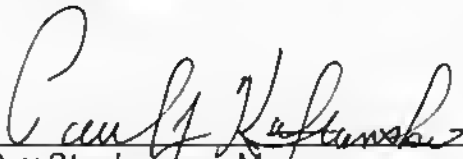
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